

those across the aisle whose talents lay more in spending taxpayer dollars than trusting hardworking Americans to manage their own paychecks.

I want to speak specifically, Mr. Speaker, to the President's plan and what it means for Tennessee. This is a great plan. It will create new jobs. In Tennessee, it is going to create 11,500 new jobs per year for the next 4 to 5 years. That is about 55,000 new jobs for Tennesseans alone. Nationwide we are talking about 1.2 million new jobs by the end of 2004, and almost 2.9 million new jobs in the next 4 to 5 years. This is a jobs and growth plan. Increasing the child tax credit to \$1,000 is good for American families. When we are talking about the child tax credit, that is money back in the hands of 27 million Americans during 2003. Moving the child tax credit from \$600 to \$1,000 is good for American families. It means less money taken from their paycheck to pay for taxes. Accelerating the individual rate reductions in 2003 is good for millions of taxpayers. Again, that means less money from their paycheck to pay for taxes. Providing marriage penalty relief now is the right thing to do. Marriage penalty relief means less money from their paycheck to pay for taxes.

I would encourage every Member of this body, our friends on both sides of the aisle, to join in making these tax cuts permanent. These are not radical provisions, Mr. Speaker; and they are central to a plan that will not only stimulate the economy, it provides a foundation for long-term job and economic growth. It is a plan for America's future that will produce results.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### OLD MEN'S OIL WARS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I would just like to say in response to the earlier Special Order, if the tax rate programs of the Bush administration as enacted 2 years ago actually produced jobs, then why has America lost nearly 3 million more jobs since that last bill was passed when in fact all those dollars were not invested in America but taken abroad and continue to empty out the manufacturing and agricultural sector of this country?

My speech this evening actually has to do with old men's oil wars. I thought it would be important to put on the record the following:

Midland, Texas, home to our current President, was drilled dry of oil decades ago. The President's father, who

had also been President, had launched Zapata Oil Company to find more oil when Texas ran dry in the Gulf of Mexico and beyond. And then to his son, when the father was President and through his father's friends, was born Harken Energy which the current President headed. Both these firms looked beyond Texas' border for black gold. Both these firms were headed by men who became President of the United States. Harken invested in Bahrain. The President had to divest himself of that before he became our current President; but his father, George 41, still remains a Carlyle Group oil and defense acolyte. Their world view is shaped by oil. Their life has been oil. The politics they pursue is directly entwined with oil.

America consumes 25 percent of the world's petroleum, which is a diminishing world resource, yet we only have 2 percent of the world's people. So having drilled America dry for all intents and purposes, the fifties oilmen, I call them, began to rely more heavily on remaining global supplies. The motherlode lies in the Middle East. It is now on these supplies that America has become dangerously reliant. But rather than become energy self-sufficient here at home and create thousands of jobs in this country, America's older leaders have continued to drive America backwards into a dying petroleum age.

But Henry Kissinger, age 79, is smiling. For longer than I have been an adult, his vision has been to tie Iraq's oil to Israel and points west. This trade route would secure U.S. vital interests in the Persian Gulf, in oil and Israel. And now America has assured that Iraq is policed by over 100,000 U.S. forces.

Donald Rumsfeld, age 70, is smiling, too. He vainly bragged this month he is not known for his diplomacy. The world agreed. In his 1983 visit to Saddam Hussein as Middle East special envoy for the Reagan administration, he was rebuffed when he proposed on behalf of Bechtel Corporation, whose chairman in those days was George Schulz, an oil pipeline that would extend from Iraq through Jordan to Aqaba. Hussein demurred, fearing the pipeline would run too close to Israel. Now Rumsfeld has sat in Abu Gharyb Palace in Baghdad as viceroy Jay Garner receives Bechtel and Halliburton, which DICK CHENEY headed. That company now receives noncompetitively bid contracts from this government to secure the oil fields. Not far from northern Iraq lies Baku on the Caspian Sea, an oil bonanza that even Hitler coveted. U.S. forces in both Iraq and Afghanistan make future pipeline defense there so much easier.

George Schulz, age 82, is smiling. No longer Chair of Bechtel, he still serves on its board. His Stanford protege Condoleezza Rice, for whom Chevron named an oil tanker, heads the National Security Council.

DICK CHENEY, 62, is smiling. Halliburton, of which he served as CEO be-

fore becoming Vice President, just landed a no-bid contract, \$7 billion from the government of the United States paid for by the taxpayers of the United States, to control the oil fields of Iraq. Vice President CHENEY already is receiving \$180,000 a year from Halliburton in deferred compensation. I want to know if Halliburton plans to make an oil deal with President Karzai in Afghanistan who just happens to have ties to Unocal Oil.

Let America embrace the world of the future. Let us move beyond the hydrocarbon age. U.S. addiction to foreign petroleum has cost too many lives and the undemocratic oil kingdoms it has perpetuated are an international disgrace and the primary reason for the rise of terrorism. This world view of the old oil barons should be no more. Let America become energy independent here at home. Let the oil kingdoms democratize. Let us invest that \$100 billion-plus we spend to defend foreign oil routes in new technologies here at home: photovoltaics, fuel cells, biofuels, in high speed rail, hydrogen, renewables.

Mr. Speaker, it is time for a new generation of Americans to take over the government of the United States.

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#### GENERAL LEAVE

Mr. PRICE of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the subject of the special order today.

The SPEAKER pro tempore (Mr. MARIO DIAZ-BALART of Florida). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### THE REPUBLICANS' PROPOSED TAX CUT PACKAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from North Carolina (Mr. PRICE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PRICE of North Carolina. Mr. Speaker, I come to the floor tonight with several of my colleagues to discuss our Republican friends' proposed tax cut package and the way it will affect the Federal budget and the American people.

Mr. Speaker, President Bush has presided over the Nation's worst economic performance since the Great Depression and the worst fiscal reversal in all of American history. Since President Bush took office, we have lost more than 2.7 million private sector jobs, and real GDP has inched at only 1.5 percent annually, the worst record for any administration in over 50 years. The 10-year \$5.6 trillion unified budget surplus projected when President Bush

came into office is gone, totally gone. In its place the administration has proposed a budget with over \$2 trillion in deficits over that same time period. That is a fiscal reversal approaching \$8 trillion.

These charts tell the story. Here we have the fiscal reversal illustrated going from a \$5.6 trillion surplus 2 years ago projected until now looking at a \$2 trillion deficit over the next 10 years. And this chart gives the picture on jobs. In the first 28 months of the Clinton administration, 6.8 million private sector jobs gained, 1993 through April of 1995. In the first 28 months of the Bush administration, 2.7 million private sector jobs lost as of April of this year.

Unfortunately, in the face of all this, in the face of the worst fiscal reversal in this Nation's history, the response of our Republican friends is to propose more and more of the same failed policies. Finding themselves in a hole, their message seems to be just keep digging. Mr. Speaker, Democrats believe that a stimulus plan should be based on three simple principles, principles that should be self-evident but that our Republican friends incredibly seem unable to grasp.

First, a stimulus plan should be fair. It should put money back in the pockets of average Americans, boosting consumer demand and the business investment needed to meet it.

Secondly, a stimulus plan should actually stimulate the economy. It should be fast-acting with its impact concentrated to provide an immediate jump-start to the economy. It should get the most bang for the buck by targeting consumers likely to spend and businesses likely to invest and hire new workers.

Finally, a stimulus plan should be fiscally sound. It should be paid for. It should not pile up national debt. It should not contain gimmicks which disguise its true cost.

Mr. Speaker, the Democratic plan that we will be debating tomorrow is organized around these three principles. The Republican plan fails to meet the standards by a country mile. It is not even close. Tomorrow the House is scheduled to debate the Republicans' \$550 billion tax cut, every penny of it borrowed money, funded by increased government debt that will be passed on to our children and grandchildren.

Tax cuts that actually stimulate the economy during a downturn make good sense. However, the Republican plan only puts in place 9 percent of its tax cuts this year, precisely when they are needed the most. The House Republican plan centers on tax cuts, on stock dividends and capital gains, both of which economists have rated as very ineffective in stimulating the economy. These proposals would benefit mainly upper-income individuals who are much more likely to save such windfalls than would be low- and moderate-income families. Under the Re-

publicans' proposal millionaires would receive approximately \$139 billion in tax cuts through 2013. That is essentially the same amount of tax cuts that would be received by the entire bottom 89 percent of households combined.

Mr. Speaker, it is simply irresponsible to be considering large upper-bracket tax cuts that will worsen the long-term deficit to the tune of \$1.2 trillion over the next 10 years, to be doing this at a time when we should be paying down the national debt to prepare for the retirement of the baby boom generation, which after all begins in only 5 years. Moreover the Republican plan is full of phony sunsets and other gimmicks that actually understate its true cost.

By contrast House Democrats have proposed a stimulus package that is fast, fair acting, fiscally responsible, and paid for. It uses a proven approach to creating jobs and growing the economy, puts money directly into the hands of average Americans, the very people most likely to spend it, and it provides tax relief to businesses most likely to invest. It focuses on jump-starting the economy now at a fraction of the cost of the Republican tax cut proposal. It provides permanent tax cuts for most American families, including an immediate increase in the child tax credit, marriage penalty relief, the expansion of the 10 percent tax bracket. The House Democratic plan also extends unemployment benefits for 26 weeks. It increases the level of benefits and provides temporary aid to States to broaden coverage to low-wage earners and part-time workers. These benefits would provide financial help to 5 million out-of-work Americans, and economists have rated that as one of the most effective stimuli that would we could apply.

In contrast the Republican plan would allow the Federal Unemployment Benefits program to expire on May 31, leading to millions of families being denied this unemployment insurance to help tide them over.

What about the States? As a result of a bad economy, States are facing the worst fiscal crisis since World War II. States across the country are cutting education and health programs and raising taxes, undermining jobs, undermining economic recovery. The Democratic jobs and growth plan in stark contrast to the Republican plan which has said to the States go elsewhere, the Democratic plan would provide \$44 billion in aid to States to minimize tax increases and service cuts and to prevent the job losses that would otherwise occur.

The second chart compares the stimulative effect of the proposals I have been discussing. If we extend Federal unemployment benefits for every dollar we spend, the stimulative effect in the economy, the amount of economic activity generated, comes to \$1.73, one of the most effective things we could do. If we support the States through

Medicaid and education and homeland security funding, for every dollar we invest that way we get \$1.24 in bang for the buck, also a good stimulative effect.

The centerpiece for our Republican friends' dividend tax reduction, 9 cents of impact for every dollar of revenue lost. If what we are talking about is stimulating the economy, then this chart says it all.

Finally, the Democratic plan would provide companies with a tax credit worth up to \$2,400 for hiring somebody who has been out of work at least 6 months and includes \$29 billion in tax incentives to generate investment and jobs now, such as allowing small businesses to expense up to \$75,000 of the cost of new investments through 2004, triple the current limit. In other words, businesses would be encouraged to invest sooner rather than later, again fueling economic growth.

Mr. Speaker, the bottom line is that the Democratic plan would create almost twice as many jobs as the Republican plan in the first year. Let me be specific. The Democratic plan would create 1.1 million jobs compared to the Republicans' 600,000 jobs. And the Democratic plan would achieve this at a fraction of the cost.

Instead of saddling our children and grandchildren with a mounting national debt, I urge my colleagues to support the Democratic plan that will help revive the economy, promotes economic growth, offers tax relief to those who need it most, uses honest accounting, and is paid for.

A number of Members are going to be speaking over this hour about the choices that we have tomorrow and about what we can do now, what we can do effectively to turn this economy around and to do that in a fiscally responsible way, and I yield to the gentleman from Virginia (Mr. MORAN), a valued colleague from Virginia, a member of the Committee on the Budget who over the years has stood for fiscal integrity, fiscal responsibility.

Mr. MORAN. Mr. Speaker, I thank the gentleman from North Carolina (Mr. PRICE), my very good friend and colleague, for yielding. I thank him for laying out the Democratic and the Republican plans tonight.

These are going to be the subjects of the debate tomorrow, and it appears that we are going to have another party-line vote. My friend recalls another party-line vote that we had in 1993 when President Clinton proposed an economic growth strategy to get out of another Bush recession. We were told by our colleagues on the Republican side of the aisle that this was going to cause more unemployment, further recession, that we would never recover, that it was unfair.

The fact is President Clinton did raise taxes. We are not talking about raising any taxes. President Clinton went ahead, raised taxes on the wealthiest people in this country. He balanced the budget. He made sure everything was paid for, that we did not

have to borrow money from Social Security and Medicare to pay for tax cuts as of course this tax cut plan does. It borrows every penny out of Social Security and Medicare. But now that we look back on the effects of that economic growth strategy that was very consistent with the Democratic plan that the gentleman from North Carolina (Mr. PRICE) has laid out and that the Democrats are going to present tomorrow, it worked. It worked.

During the 8 years of the Clinton administration, this country experienced the highest prosperity that any country in the history of civilization has ever experienced. Certainly this was the best extended economic boom that America could ever have realized. And, in fact, all those people, those people at the highest tax bracket, that was 39.6 percent at that time, they took home more after-tax income than has ever been achieved in any economy in the history of this United States of America. The wealthiest made more wealth, more wealth than they have ever experienced. So it was not a confiscatory rate. What we did was to plow money back into investing in people and education and training, balancing the budget so the financial markets had confidence that there were not going to be high interest rates in the future, and it worked. It worked. And of course those who own the means of production, they benefitted the most.

So now what are we going to do? As the gentleman from North Carolina (Mr. PRICE) has shared with us, we are doing just the opposite of the Clinton plan. We are consistent with what President Bush has already done, although so far the tax cuts that he has implemented have cost this economy 2.7 million jobs, but now we have a tax cut that is going to give the same amount of money to 1/10 of 1 percent of the American people. The 1/10 of the 1 percent of the very wealthiest Americans are going to get the same amount of money that the 90 percent of Americans who are earning less than \$95,000 a year, which is pretty good but those are in the middle class. From \$95,000 down, that is 90 percent of the American people, they are going to get as much benefit as the top 1/10 of 1 percent of the very wealthiest. Can that possibly be fair? It is not fair, and it is going to come back to haunt us. And this money that has to be borrowed from Social Security and Medicare that is going to come due, we are not going to have to pay it. Our kids are going to have to pay it. We have estimates now that the public debt of a child that is born today, by the time they are ready to enter high school, we are going to have \$12 trillion of debt.

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By the time they become a working adult, it is going to be much more than that; and they are going to be spending half of their income paying off debt that their parents' generation caused because of these tax cuts that are unpaid for. It is almost criminal.

Also, in addition to being so unfair to subsequent generations of Americans, it is so duplicitous. Now, I know it seems like nickel and diming; but, gosh sakes, in order to get this plan that is going to be offered by the majority through, we get a whole lot of magic tricks in this.

For example, you raise the child tax credit to \$1,000, but for 3 years; and then you bring it back down again so that it does not look as though it is as costly as it really is. You do the same thing with the marriage penalty.

The American people ought to ask the proponents of this tax plan, do we get to keep these tax cuts? Are you going to give it on the one hand and take it away from the other? The fact is it is the latter. It is just like the last tax cut, to purport we could pay for it, they sunsetted it all in 2011. Now they come back, of course, and want to make all the tax cuts permanent.

Mr. PRICE of North Carolina. Why on Earth would our Republican friends want to do such a thing? It clearly is something that they do not intend to stick by. They do not really intend for these tax cuts to expire. Why would they write such a bill?

Mr. MORAN of Virginia. I suspect, I know it is a very good question, that they figure the American people are never going to catch on to what they are doing, to what the real cost of these tax cuts are, to the fact that the real cost of these tax cuts is \$4.6 trillion over the next decade, if you include the interest on the debt that has to be borrowed and if you do what we know is going to have to be done, which is to make all these tax cuts permanent.

No Congress is going to restore taxes, nor is it going to increase taxes. We know everybody wants to cut taxes, so they are not going to be reinstated. It is just like the ones passed in 2001. We know that, the Republicans know that, but the Republicans are assuming the American people are not going to catch on, and they can fit this in a budget resolution and purport to suggest that this is some kind of balanced budget. It is not. We have got deficits as far as the eye can see. Who is going to pay for them? Not us. We are going to be retired. It is our kids that are going to have to pay for them. Thousands of dollars a year they are going to be paying because of what we are about to do tomorrow.

This is wrong. This country cannot afford it. What this country can afford is getting people back on their feet, getting money back to States where they can generate \$1.73 for every dollar invested, instead of 9 cents generated by the President's proposal.

We need to believe in America. We need to recognize what has worked in the past, what worked in the 90s, and what has not worked since President Bush took office. We have turned a \$5.6 trillion surplus into trillions of dollars of debt, and it is mounting every year.

I know my colleagues are here, and they want to share their views as well;

but I appreciate the gentleman yielding.

Mr. PRICE of North Carolina. Before we yield to our colleague from Washington State, let me just commend the gentleman for a powerful statement and also for reminding us of a little bit of history, not too ancient history, but history that goes back to 1993 and a night on this House floor that many of us will never forget, where without a single Republican vote we passed a far-reaching plan to move the budget toward balance; and in fact from every year from then forward, until this President took office, every year for 8 years the deficit came down.

Mr. MORAN of Virginia. We had the strongest economy.

Mr. PRICE of North Carolina. The strongest economy and the most sustained recovery. We even reached the point where we were running a surplus, not just a Social Security surplus, but a surplus in the general fund of this government. We retired \$400 billion worth of the national debt. But our Republican friends might not be convinced by that historical lesson. It does not reflect very well on them.

So let me just ask the gentleman, look back to some previous Republican administrations. Is it not true that in 1982, when the Nation went into a recession and President Reagan had pushed through some tax cuts and the deficits were mounting, that with Senator Robert Dole's leadership some of those tax cuts were rescinded and some spending was cut? The Congress and the President found themselves in a hole, and they quit digging. They at least quit digging. They did not make the problem worse. To some extent they halted the deterioration of our fiscal situation.

Then think about the first President Bush. I am sure you remember that battle. President Bush said "read my lips" and had gotten himself locked into a situation. But when the economy declined, when the fiscal situation deteriorated, he had the courage and the statesmanship to work with Democrats across the aisle and to put a 5-year budget plan in place. So the first President Bush, when he found himself in a hole, he quit digging.

So if our Republican friends do not find the 1993 episode instructive, then maybe they will find those earlier episodes instructive. Then the question comes back, why is it that this White House seems to feel none of that restraint? Why is it that this Republican leadership seems to feel none of that concern, but is perfectly willing, finding themselves in a deep and dangerous fiscal hole, to propose that we should just keep digging?

Mr. MORAN of Virginia. That is the operable phrase, my friend. If you are in a hole, and we are in a very deep deficit hole, you ought to stop digging. In 2001 we were told that the tax cuts of \$1.3 trillion were going to revive the economy. They did nothing like that. What they did was to cause more unemployment and the financial markets

to lose confidence in the future, and it has hurt States and localities terribly.

I suspect, though, that the answer to the gentleman's question, why has this President Bush acted so differently than his father, is that he recognizes that although his father did the right thing in 1990, set this country on the course of a balanced budget, and really it was President Clinton acting consistently with that 1990 legislation in 1993, but the first President Bush deserves a lot of credit. But I suspect the people in the White House now feel that may have been why he lost the presidency.

But that ought not be the criteria. The criteria ought to be whether your years in service to this country have produced a better America, not only for your family and my family and the whole American family, but, most importantly, for future generations of America. That is what we are looking for. We are looking for that long-sighted economic policy that has worked in the past.

I thank the gentleman for his thoughtful, historical perspective; and I yield back to the gentleman so he may call on other colleagues.

Mr. PRICE of North Carolina. I thank the gentleman.

I turn to our colleague, the gentleman from the State of Washington (Mr. McDERMOTT), a member of the Committee on Ways and Means and a long time member of the Committee on the Budget.

Mr. McDERMOTT. Mr. Speaker, I was coming downstairs from the Committee on Rules where I was up there making a presentation as they prepare for our consideration of this bill tomorrow. It was never so clear to me as it was sitting there that we are in a one-party government here, where the President and the House and the Senate are all from one party, and they are going to have a discussion down here tomorrow on their proposal. But what I really am fearful of is that the proposal the gentleman is putting out here tonight will not be allowed into the discussion tomorrow, except in a very abbreviated form. I think that is unfortunate, because I think the American people ought to have a chance to choose between alternatives. That is what this government is about.

Will Rogers one time said people would rather have fair taxes than lower taxes. The fact is we do not have fair taxes. The proposal that is coming down here tomorrow is one that 80 percent of the benefit goes to people above \$90,000 a year in income. Now, I do not think they need a tax break. The effect of this bill tomorrow would be to give a \$105,000 tax break to people making \$1 million, while people who are making \$40,000 will get \$325.

Now, that is not a fair tax structure, and it basically says the only people who know what to do with their money are people who are rich. If you give it to the people down there making \$40,000, they will not know what to do

with it. They will squander it away on something. I do not know what; but if we give it to the rich people, suddenly things will be stimulated.

The problem with that theory is that the Commerce Department, Mr. Bush's Commerce Department, has come out and said that industry in this country is operating at 75 percent of capacity. There is plenty of capacity right now. There is no need for further investment in capacity. What you need is people with money in their hands to buy things.

Now, the bill that I proposed, the amendment I proposed upstairs, is a proposal that would give a tax holiday on the first \$20,000 of your payroll taxes. Everybody pays payroll taxes. Not everybody pays income tax, because if you are down low enough, you do not. But if you are down low or high up, you pay payroll taxes for Social Security and for Medicare.

If you gave a tax holiday on \$20,000 of income, everybody in this country, every working person in this country, would get somewhere between \$1,400 or \$1,500 in rebates. That means that 94 percent of the money would go to people below \$75,000 in income, and it goes all the way to the bottom. Everybody gets it. In my view, that is a fair tax cut, if you are going to have one.

I really think the idea of a tax cut in the first place is a bad one. Sitting on the Committee on Ways and Means, I have watched these tax cuts go whistling through there one after another, and we go deeper in debt.

I was looking at what is going on in the States. California is \$34 billion in the hole; New York is \$12 billion; Texas is \$10 billion; Washington State, my State, is \$2.4 billion. The National Conference of State Legislatures reports that 41 States have accumulated almost \$84 billion worth of deficit in this year, and what we are doing at the national level is looking out on those States and all the mess that is out there and saying, tough luck, you are on your own.

Now, that is a major philosophical debate that goes on in this House, what responsibility does the Federal Government have and what responsibility does the State have, and this administration has been pushing off on to the States all the responsibility for education, health care, the environment, whatever; and the States are being destroyed.

The Missouri Governor, the new Governor, is going around turning off every third light bulb. He put out a memo for the State of Missouri. Connecticut is laying off prosecutors in the court system. In Kentucky they are laying off prison guards. Nebraska just put 25,000 women and children off the Medicaid program. In Michigan they are considering a proposal to put advertising on the sides of police cars so they can make money, making them rolling billboards. That is where these States are. Ohio has taken 50,000 off of health coverage and Colorado is cutting out the

senior citizen benefits on property taxes for 120,000 seniors in Colorado.

Now, I could go on with that list, and it does not make any difference what State you are talking about. And we at this level are saying what we are going to do with the money we have is we are going to give it to those people at the top. They are the only ones who know what to do. They are going to save us. And we are not giving money out to the States and the counties, with all the problems at the State level or dealing with the problems in our own system, or preparing for all the people who are going to come on to Medicare and Social Security in 2008 or 2009 or 2010. We are not preparing for that at all.

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Today, we are giving it all away. And then we are saying, gee, Social Security does not work anymore, Medicare does not work anymore. We have to put that responsibility on people.

Next Friday, a week from today, we will be dismantling the Medicare system in the same way. That is the system that this party has put in order and they are going to keep doing it one week at a time, and we are seeing it, and we will not have any money to respond to that because we have given it all away.

Now, we have a choice tomorrow. We could say no to the President's way and the Committee on Ways and Means chairman's way. The chairman said upstairs that the Congress is kind of like a poker game where everybody sits down at the table and at the end of the night the same amount of money is there, but different people have it. And what I am saying, my answer to that is yes, that is true, and I think that ordinary working people ought to get it and the Democratic proposal is an attempt to do that. But the leadership of this House is going to bring in a bill tomorrow that will make it increasingly unfair in this country.

I congratulate my colleagues from North Carolina and Virginia and Connecticut for coming down here and letting the people know that the Democrats do have a proposal, because they will control the rule tomorrow in such a way it will look like we did not even have any ideas. We do have ideas, but they are not consistent with giving it all to the people on the top.

Mr. Speaker, the American people are sitting there, after dinner, at the dinner table and you think to yourself, does somebody who makes \$1 million really need a \$105,000 tax break? I mean just ask yourself. And then you think about the people in your neighborhood who are scraping to pay their drug benefits and do the things that they have to do for themselves. My mother just bought a hearing aid. She is 93. Hearing aids cost \$800 if you can get a cheap one. They are not covered by Medicare. So if you do not have kids who can help you, you do not get a hearing aid.

I mean, do we really need to give all of this money to the people on the top? Where is the fairness in that?

I think the gentleman from North Carolina (Mr. PRICE) should be congratulated for his effort tonight to give the people an understanding of what is going on. It is unfair.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentleman and I particularly appreciate his focus on the plight of the States. My colleagues may recall that the governors were in town a few weeks ago, Democratic and Republican governors who went to the White House, I understand, and talked about the ways that in a temporary way there could be some help for the States and, as we said earlier, help for the States is one of the best ways to stimulate the economy. It gives good bang for the buck. They suggested such obvious ideas as a little better cost-sharing on Medicare temporarily to tide them over. What kind of reception did they get down there, Republican and Democratic governors alike?

Mr. MCDERMOTT. They basically were stiffed.

Mr. PRICE of North Carolina. Stiff-armed, I understand.

Mr. MCDERMOTT. Mr. Speaker, I do not think the American people understand, and the gentleman is down in Chapel Hill and he knows the pressure that is on the hospitals; it is the same in Chicago or Richmond or Seattle or New York or anywhere. What we are saying to those counties, to those cities, to those States, we are not going to help you. You are on your own. The President made no provision.

Mr. PRICE of North Carolina. What about our Republican colleagues in the House? They are supposedly in closer touch with these local communities. Does their bill contain one dime of help for the States?

Mr. MCDERMOTT. No, not a single dime.

Mr. PRICE of North Carolina. And the Democratic plan, \$44 billion, it is temporary, it stimulates the economy, it helps bail the States out. It will help avoid counterproductive things at the State level, cutting back services, raising taxes. What good is it going to do to cut taxes here if they have to be reimposed at the State level?

Mr. MCDERMOTT. Mr. Speaker, I think the long-term effects of not dealing with the social problems in this society are more costly in the end than if you put the money up front. If you do not feed people and take care of them and give them preventive health care, you pay much more at the far end when they are seriously ill and then you spend thousands and thousands of dollars that would not have been necessary if you had dealt with it in the early stages. It is so cost ineffective.

We talk about history. I do not know where the people went who were here on the other side when I came here. They used to talk about deficits being terrible and bad, and they have all disappeared. I mean I sat on the Committee on Ways and Means and the Treasury Secretary, Mr. Snow, came before us and said, deficits are not bad.

I could not believe what is going on. We are going to spend so much money financing that debt. And the gentleman and I, we will not do it. It will be our kids. That is not fair.

Mr. PRICE of North Carolina. Mr. Speaker, there is nobody within our hearing tonight who could not think of better public and private uses for that than throwing it down the rat hole of \$300 billion, \$400 billion of interest on the debt each year. I thank the gentleman for his contribution.

Mr. Speaker, I am pleased now to recognize our colleague from Virginia, another colleague from Virginia (Mr. SCOTT), a member of the Committee on the Budget and a much respected Member of this body who has made himself an expert on budget affairs, and we appreciate him having his usual array of charts tonight to illustrate the situation we are facing.

Mr. SCOTT of Virginia. Mr. Speaker, I thank the gentleman from North Carolina for his distinguished leadership on this budget issue. It is a very difficult issue and the gentleman has provided excellent leadership, and we thank him for that service.

The gentleman is right, I like to use charts, because we have heard a lot of descriptions, we have heard a lot of adjectives and projections. Let us just look at the numbers. This chart shows the numbers over the past few years of what the deficit has been, starting with Presidents Johnson, Nixon, Ford, Carter, great deficits under Presidents Reagan and the first Bush. And we have heard comments about the 1993 vote when President Clinton came in, without a Republican vote in the entire House or Senate, very close votes, 218 to 216 in the House, 50-50 with Vice president Gore breaking the tie in the Senate. And, as a direct result of that, along with economic growth, every year was better than the one before until we went into a surplus. Social Security and the lockbox, Medicare in a lockbox and a \$100 billion surplus after that.

The Republicans will say that after 2 years of the Clinton administration, they took over. That is true, and they offered the same kind of tax cuts that President Bush has signed, but President Clinton vetoed that bill. They threatened to close down the government. He vetoed it again. They closed down the government. He vetoed the bill again, and continued vetoing their irresponsible tax cuts year after year as the budget situation got better and better each year. Under his leadership, he had enough Democrats in the House and the Senate to sustain those vetoes and control the budget situation year after year, each year being better than the last.

When President Bush came in, he signed those irresponsible tax cuts and we see what happens. Actually, this chart, as bad as it looks, needs to be updated. We have not gotten the more recent numbers; it may in fact be off the chart.

People ask, well, if things are this bad, where is the Democratic plan? Well, the Democratic plan is in green. That is our plan; this is their plan.

Now, how did we get in this mess? We got in this mess with tax cuts and we have asked, well, who got the tax cuts? And you have heard the adjectives. Let us look at the graph. The bottom 20 percent, the next 20 percent, the middle 20 percent, the fourth 20 percent, and the top 20 percent, blue is the 2001 tax cut, green is the proposed 2003 tax cut. The same pattern.

Now, there is a line that is hard to see right at about the 50 percent mark. The top 1 percent get 50 percent of the tax cut that we enacted in 2001. So we have a budget mess. We got there with tax cuts to the wealthy, and we were told that the reason we needed to do that, the reason we needed to mess up the budget to give tax cuts to the wealthy was to create jobs.

Let us look at the jobs per administration, the second Truman administration, the Eisenhower administration, first and second, Kennedy, Johnson, Johnson, all of the administrations over the years, the job creation record, George W. Bush, President Bush, the worst job creation record since the Truman administration, a loss of over 2.5 million jobs.

Now, we are told that, well, what do you expect after September 11? Let us point out that this chart includes the Korean War. It includes the Vietnam War. It includes the whole Cold War, the first Persian Gulf War, hostages taken in Iran, it includes all of that, and still the worst in over 50 years.

So how bad does it have to get before we acknowledge that it did not work?

What did we get? We got debt. If we left the budget alone, we would have paid off the national debt by 2008. The projection in May of 2001, right after this administration came in, virtually no debt held by the public. Instead, in 2008 we are going to have almost \$5 trillion in debt.

With debt, we get interest on the national debt. Let us look at the interest. The interest on the national debt, because the debt was going to zero, was going to zero, interest on the national debt. Instead, this red line is the interest on the national debt that we have to pay. And the difference as we go, the billions of dollars in additional debt by 2010, \$1.6 trillion wasted in additional interest on the national debt that we would not have had to pay.

Now, let us put these numbers in perspective. The green is the interest on the national debt that we were going to pay going down to zero. Red is the interest on the national debt that we are going to pay. Blue is the defense budget. To show how much interest on the national debt we are going to end up paying and put it in perspective, instead of zero we are going to be spending almost as much interest on the national debt as we are spending on national defense.

Now, let us make it personal. Take the interest on the national debt, divided by the population, multiplied by 4, what is a family of four's portion of the national debt? Right now it is about \$4,500 every year, interest on the national debt going to zero. By 2013, because we have messed up the budget, interest on the national debt, a family of four's portion of interest on the national debt, \$8,500 and growing. That means the first \$8,500, you get nothing, except pay for what has already been spent.

Now, the next chart shows how challenging a situation we have gotten ourselves into because this is the Social Security chart. Right now, we are not even balancing the budget, spending the Social Security surplus. We are not balancing the budget. But in 2017, because the baby boomers are retiring, we are having a deficit, almost \$1 trillion, running up to about \$1 trillion over the next 30 years. If we cannot balance the budget with a Social Security surplus and we are spending the surplus, what are we going to be doing out here when we have a \$300 billion deficit, divided by 300 million people in America, \$1,000 a piece, will be \$300 billion, that is \$1,000 for every man, woman, and child, for Social Security deficit, you end up with the interest on the national debt deficit. How bad does it have to get?

There is one more thing I want to mention. That is, I told my colleagues about the chart where 1 percent gets half of the tax cut. Instead of the tax cut for the upper 1 percent, if we had allocated that into a trust fund for Social Security, we could pay Social Security for the next 75 years without any diminution in benefits. Seventy-five years for the tax cut that the top 1 percent got.

Mr. Speaker, we cannot afford another tax cut. We need to go back to the green, the Democratic plan. What we are doing, what we have done to the budget is obscene. What we are doing to the budget is just unconscionable.

Mr. PRICE of North Carolina. Mr. Speaker, if I could just ask the gentleman to underscore what he just said. Are you saying that the amount that it would take to make Social Security whole for the next 75 years is less than the amount of this Republican tax cut?

Mr. SCOTT of Virginia. Mr. Speaker, it is less than what the top 1 percent got in 2001.

Mr. LARSON of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. PRICE of North Carolina. Yes.

Mr. LARSON of Connecticut. Mr. Speaker, I am very intrigued by the gentleman's charts, and it seems to me, based on the number of speakers that we have had in this hour that we have been given; my question is, Mr. Stockton used to say that what we have to do in order to get rid of these social programs that the Democrats have put forward like Social Security, Medicare, and Medicaid, is starve the beast.

□ 2000

Is this not the method that is now being used? We have just heard the gentleman from Washington State talk about what is going to happen next week with respect to Medicare. We saw a budget atrocity last week. And now we are talking about taxes, a tax cut tomorrow that basically leaves us, as your charts amplify, with no money to provide for these much-needed and highly successful and highly valued programs that have helped all of our citizens.

Mr. SCOTT of Virginia. You cannot get to balance through spending cuts. As I indicated, the entire defense budget is about \$400 billion. We are 500 billion and counting, slightly offset because we are spending \$150 billion on Medicare and Social Security surplus that is coming in. But this is out of budget. The onbudget part of the budget, what is coming in and going out outside of Social Security and Medicare is \$500 billion. The entire defense budget. Everything we spend outside of Social Security, Medicare, and defense and pensions, everything is about \$800 billion. Everything. Foreign aid, FBI, prisons, NASA, everything, education, roads, everything. It is about 800. If you cut the government in half, you could not balance it as bad as it has gotten.

Mr. LARSON of Connecticut. So this is incredible when you think that this seems to be all part of a design, a design that is geared to in fact deny people over time the ability to respond to needs that we know, as your charts illustrate, with the baby boomers retiring, that are funds that are going to be necessitated, less the programs per the design of starving the beast, the beast in this case being social programs.

Mr. SCOTT of Virginia. You cannot create a chart like this by accident. Eight consecutive years, each year better than the last; under the present administration, each year worse than the last and no help in sight. You do not do that by accident.

Mr. PRICE of North Carolina. I wonder if the gentleman from Virginia (Mr. SCOTT) would put the chart back up giving the distribution of who benefits from these tax cuts, because on the talk shows these days you sometimes hear it said, well, of course, the tax cuts are mainly going to benefit the wealthy because they are the ones that pay the taxes. As a matter of fact, is it not true that this tax cut compounds the advantage of the wealthy? It does not just mirror their advantage.

For example, if you look just at millionaires, millionaires in this country pay 19 percent of the income taxes, but what percent of this tax cut do you think they get? Twenty-seven percent. They get 27 percent of the tax cut; they pay 19 percent of the taxes. So it just does not wash to say, well, they are paying more taxes, so naturally they get a better tax cut.

The fact is this is a grossly unfair tax cut, and it targets those in the upper

brackets. That is not fair, but it also does not do what needs to be done in terms of turning this economy around.

Mr. SCOTT of Virginia. Mr. Speaker, this chart shows that the top one percent get half the tax cut that we enacted in 2001. The people in the lower brackets who are more likely to spend the money and stimulate the economy, you can hardly see the lines that they get. The top 20 percent get the lion's share of the tax cut and virtually nothing on down. All of the studies show if you give money to those who are most likely to spend it, you will stimulate the economy.

Mr. PRICE of North Carolina. I thank the gentleman for a very fine presentation.

I yield to the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. Mr. Speaker, again noting the chart there, I just want to point out that certainly it is true that most individuals are happy to get any form of a tax cut from their government. That is an indisputable truth. People like to receive a tax cut. When I go home to my district and talk to people about a tax cut, they are generally enthused, even if it is a modest amount. But when you explain to them the ramification of this tax cut, the enormity of the tax cut, the extended amount of time, and then what will have to be sacrificed in order to achieve that goal, it is an entirely different story.

People back in my district in Connecticut have a lot of common sense. They understand that you cannot have it all. We cannot possibly prosecute the war in Afghanistan, the war against terror, the war against Iraq and not sacrifice. And yet seemingly with both our budget proposals and now our tax cuts we are asking people to sacrifice. The people we are asking to sacrifice are the veterans, the elderly in need of prescription drugs, the towns and States as have been enumerated here today that desperately need town aid so they will not have to raise local taxes or cut programs and close schools, the communities that need school construction funds, the amount of money that will not be available for special education, that we will continue to underfund that program, a Federal commitment. We have enough money to provide a tax cut for the wealthiest 1 percent, but not enough to take care of those in the shadows of life, those in the dawn of life, and those in the twilight of life as Hubert Humphrey would so eloquently talk about.

So tomorrow we are seeing a philosophical debate on the direction and focus of this Nation. And what the Nation stands for in a time of sacrifice when men and women are truly sacrificing their lives overseas to defend our vital freedoms for what? When they come home and face the devastating deficits and the problematic concerns that that will raise for each and every one of their children as we project these deficits out into the future.

This is an outrage. We do not have the megaphone here. We cannot even get a small voice because of how our Committee on Rules allocates time for people to come to the floor. I commend the gentleman from North Carolina (Mr. PRICE), always able to articulate in a very intelligent manner the disparity that exists here and providing the intellectual underpinnings hopefully so the other voices in America besides the right wing and talk radio get the message out here to the American public what is absolutely happening to them.

People understand you cannot have it all. What the Democratic proposal demonstrates is that knowing that and knowing that we are going to have to sacrifice, should we not make sure that there is money there for prescription drugs, for school construction, for Social Security, for Medicare, Medicaid. Our hospitals are crying to us because of the needs that they have to take care of the population that comes to our urban and rural hospitals on a daily basis. I thank the gentleman for his strong voice here on the floor.

Mr. PRICE of North Carolina. Mr. Speaker, the gentleman is absolutely right. As to the pressing nature of these needs, many of them carry out of the State level at the time that our States are flat on their back fiscally, and our Republican friends are offering no help in that regard whatsoever.

The gentleman talks about tax cuts. And we know people would rather pay less taxes than more. We are all pleased when we can offer tax cuts; but it does matter what kind of tax cuts.

Mr. LARSON of Connecticut. Ask them if they would like to see a veteran get his benefits. Would they forego a tax cut to see veterans get their benefits? These are the questions the American public needs to ask themselves. Would you forego the tax cut so your parents could have prescription drugs? Would you forego a tax cut so you did not have to raise local property taxes and actually provide school construction or lessen the burden that school districts have to pay because of special education? Would you be willing to forego that tax cut if we were re-investing in our infrastructure and providing jobs for people? That is what the Democratic proposal is all about.

Mr. PRICE of North Carolina. Sure and that is what we need to face. If you are going to have tax cuts then, for goodness sake, have the honesty and the integrity to pay for those tax cuts so it is not coming out of the hide of the most vulnerable among us.

There are some tax cuts in the Democratic proposal, but they are aimed at the broad middle class in this country. They were designed to stimulate the economy and they are paid for. And in all three of those respects they contrast with these upper-bracket tax cuts which our Republican friends are trying to peddle as an economic stimulus when I do not know any economist who is going to tell you you get much bang

for the buck from cutting the tax on dividends for goodness sake. The estimate I have heard is 9 cents on the dollar. That is not a very good return.

Mr. LARSON of Connecticut. The gentleman is absolutely right. I could not agree more with him. To quote our leader as she often says, "These are both fair and fast-acting and fiscally responsible."

That is the alternative that is being presented tomorrow. It is up to us to get back to our districts and talk to people. I have held town hearings on these issues which I think are vitally important so that average citizens get to speak up.

They get it when they see the choice. Tomorrow is going to be an orchestrated event whereby a proposal will be jammed down the minority's throat with maybe an hour of debate on an issue that is this important to the American citizens.

We owe it, Democrat and Republican alike, to go back to our districts and say during this time of national crisis as we are fighting terrorism, ask them plainly and clearly, would you forego a tax cut so that you get prescription drugs for the people that need them? So that the veterans can get their benefits? So that school buildings could be paid for and technologically upgraded? So that the special education students would get their fair share of money, lessening the burdens on our local communities and States?

It is great to pat yourself on the back here and say you gave a tax cut, but our tax cuts here become their tax increases back home with a suffering burden that none of our States and municipalities can afford at this time.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentleman.

Before we run out of time, I want to turn to one of our most passionate and effective advocates in the House, the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I would like to thank the gentleman from North Carolina (Mr. PRICE) for organizing this stellar Special Order this evening on the important question of economic stimulus and recovery for our people and join with all of my able colleagues, the gentleman from Virginia (Mr. SCOTT), the gentleman from Connecticut (Mr. LARSON), and others this evening.

I just wanted to mention jobs, J-O-B-S; and the Republican tax cut bill is a job killer. There is plenty of evidence that this plan is merely a repeat of what happened in 2001 in this Congress, in the first Bush tax bill that came before us where now we have lost 3 million more jobs across this country.

It is also a debt-accumulator bill. This tax bill is not going to balance the budget. It is going to increase the deficit. I always thought Republicans were budget balancers. That is what Republicans used to be. They are not that anymore. And I just wanted to point out back in 1981 when Congressman DICK CHENEY was a Member of this

House, I came here 2 years later in the midst of the worst recession America had faced since the Great Depression. July 29, 1981, when Mr. CHENEY chaired the Republican Policy Committee here, a bill was passed that they called the 1981 tax cut bill. And in the following 2 years, millions of Americans were thrown on to unemployment lines; and I became part of a class to try to restore economic integrity to this country. It took us almost 20 years until Bill Clinton became President of the United States. And in 1993, 1996, we began to restore those surpluses that the gentleman from Virginia (Mr. SCOTT) referenced.

In 2001 under the first Bush plan, the gentleman from California (Mr. THOMAS) said here, "By moving quickly our hope is to have both monetary and fiscal policy pull this economy out of its nose dive."

And again, now, we have another job-killer bill. We had a job-killer bill in 1981. We had a job-killer bill in 2001, and now we will have another job-killer bill brought up on this floor tomorrow. It seems to me that one thing Democrats stand for is full employment and good jobs. We should reject this bill tomorrow. It is a repeat of the same old hash they gave us back in 1981 and they gave us in 2001. We should not be snookered for the third time.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentlewoman, and I want to thank all of my colleagues who were part of this Special Order tonight.

Often we have very heated debates in this House and we have a good bit of rhetoric filling the air; sometimes there may even be an exaggeration or two. But I must say with respect to this bill tomorrow and with respect to our fiscal situation, we are not exaggerating. We are not exaggerating the danger we face. We are not exaggerating the unprecedented character of the risks that are being taken with our fiscal future by this administration and by the leadership of this House.

□ 2015

We are not exaggerating the differences between the parties.

There is a simple three-point test that any proposal ought to be able to pass: Is it effective? Does it stimulate the economy? Is it broad based and fair? Is it fiscally responsible? The two plans before us tomorrow could not be more opposed or more different in the way those basic questions are answered.

So I thank all of my colleagues for helping us line this out tonight and address our colleagues about this critical debate. It is not an exaggeration to say that our fiscal future is on the line, and I appreciate all those who have helped point that out so forcefully this evening.

Mr. HINOJOSA. Mr. Speaker, I rise today to discuss the tax proposal the House Ways and Means Committee approved on a party-line vote of 24-15 last Tuesday. I believe that



what the committee reported to the House floor is flawed, misguided and will harm our American economy now and for generations to come.

I agree with Ways and Means Committee Chairman THOMAS's assertion during the committee's consideration of the tax bill that, "Congress must take bold steps to spur economic expansion, create more jobs for workers, better opportunities for families and bigger paychecks for all Americans." I agree with that. But, I strongly disagree with the ways and means by which he intends to accomplish these goals.

Mr. THOMAS's bill focuses tax relief on the wealthiest 1 percent of the population by providing tax cuts mainly on stock dividends and capital gains. Many economists have rated this proposal as very ineffective in stimulating the economy. It would be more appropriate to provide an immediate increase in the child tax credit, marriage penalty relief and the expansion of the 10-percent tax bracket.

With deficits soaring, the last thing our government should be doing is proposing major tax cuts that do not spur economic growth. Our government would be borrowing to finance the revenue losses associated with the tax cuts for years to come. Furthermore, Chairman THOMAS's proposal fails to include support for state and local governments. It crowds out Federal investment in education, training, infrastructure, and research and development to pay for their tax cuts for the wealthy.

Next year, the GOP tax plan gives tax cuts totaling approximately \$44 billion to those making over \$374,000 a year, while their budget provides \$9.7 billion less than the amount promised in the No Child Left Behind Act for educating our children.

The Thomas plan also allows the extended unemployment benefits program to expire May 31, 2003, leading to millions of families being denied needed unemployment insurance.

Not only would extending benefits help the families of nearly 5 million out-of-work Americans pay their bills, it would also efficiently jumpstart the economy by putting money into the pockets of consumers who will spend it.

I urge my colleagues to defeat this plan when it comes to the floor of the House.

Mr. PRICE of North Carolina. Mr. Speaker, I yield back the balance of my time.

#### REPUBLICANS' JOBS AND GROWTH PACKAGE

The SPEAKER pro tempore (Mr. MARIO DIAZ-BALART of Florida). Under the Speaker's announced policy of January 7, 2003, the gentleman from South Carolina (Mr. WILSON) is recognized for 60 minutes as the designee of the majority leader.

Mr. WILSON of South Carolina. Mr. Speaker, I rise tonight with several of my colleagues in support of the Republicans' jobs and growth package, H.R. 2, which we are scheduled to vote on tomorrow; and in fact, this vote is so important, I am really going to be missing a very significant event in South Carolina.

We are very proud that President George W. Bush is going to be commencement speaker tomorrow at the

University of South Carolina for graduation. I am just so proud of our president there, President Sorenson, what he has done for our institution, the trustees, Mack Whittle, Miles Loaholt, Mark Buyck, Eddie Floyd. They are working so hard to make the University of South Carolina, my alma mater from law school, one of the best universities in the United States; and certainly having our President there tomorrow, I am just so proud, and I know that my wife, Roxanne, will be right on the front row with our sons Julian and Hunter and Alan to encourage the President.

Our economy is hurting and it needs an immediate boost. House Republicans believe the best way to get the economy back on track is to allow Americans to keep more of their own money, and I heard a few minutes ago that indeed it was not the public's money, it was not the people's money; but I know so well that, indeed, it is the people's money, and that is the first fact that we should address; and I appreciate good people like Jerry Bell of the Lexington County Chronicle making that point almost every week in his publication.

This will give the economy an immediate shot in the arm by accelerating tax relief from the marriage penalty, increasing the child tax credit and providing working families with more of their hard-earned dollars through accelerated income tax relief.

Furthermore, with sizeable, long-term tax relief on capital, businesses will receive investment incentives that will help create more jobs. This Republican plan is estimated to create 1.2 million jobs by the end of 2004 alone and will create many more in the years to come.

On the other side of the aisle, House Democrats are talking about a government growth package. It busts a \$30 billion hole in the budget, guts the Republican child tax credit increases, and it weakens job growth by watering down Republican tax relief for small businesses. Once again, the Democrats' answer to every problem, raise taxes and spend more.

Americans are already overtaxed. Americans for Tax Reform, an invaluable nonprofit group headed by the visionary Grover Norquist, has tracked the tax burden in a way that puts it in proper perspective. Each year, Americans for Tax Reform determines the cost to government date which is the average date at which every American worker has earned enough to pay his or her share of taxes imposed by Federal, State and local governments. The cost to government date 2002 was July 1, representing the largest tax burden since 1996.

Today, we are working a full 6 months just to give Uncle Sam his yearly check before we can even begin to earn enough to pay for food, health care, medicine, housing, clothing, college tuition, car payments and all the other needs that we have to provide for our families.

My friend and former Congressman, the gentleman from Oklahoma (Mr. WATTS), put it best when he said, "Americans are taxed when we turn on a light. We are taxed when we use the phone. We are taxed when we eat lunch. We are taxed when we do brunch. Moms are taxed at the gas pump when they fill the tank to drive the kids home from a little league game. Dads are taxed when they try to save a few bucks for retirement in order to provide for their families, and Grandma and Grandpa are taxed for having the audacity to die."

Ronald Reagan was even more blunt and always correct when he described the government's economic policy this way, "If it moves, tax it."

President George W. Bush understands that Americans are overtaxed. President Bush also understands that the only way to increase jobs in America is to allow individuals and small businesses to keep more of their own money to invest in our economy.

The gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, has crafted a very wise and sensible bill that takes the best solutions of President Bush's proposals, and I urge all of my colleagues to vote for this bill tomorrow.

Americans have given Republicans a tremendous opportunity to lead on issues that affect every working family. We must not squander this moment and work to bring them real tax relief. Let us hold true to the commission given by President Ronald Reagan.

We need true tax reform that will at least make a start toward restoring for our children the American Dream, that wealth is denied to no one, that each individual has the right to fly as high as his strength and ability will take him.

At this time, I will be yielding to the gentleman from North Carolina (Mr. HAYES). He is a very respected member on the Committee on Armed Services. He also serves on the Committee on Transportation and Infrastructure, the Committee on Agriculture; and I know firsthand the respect that his constituents have for him.

Last year, I went with my sons Julian and Hunter door to door in his hometown of Concord, North Carolina; and that is where one really finds out what people think of their local Congressman, and I found out that he was a person who was well thought of. He was highly respected and my colleagues will see tonight what a knowledgeable and fine person the Congressman from North Carolina is.

Mr. HAYES. Mr. Speaker, I want to thank my good friend and colleague, the gentleman from South Carolina (Mr. WILSON), for yielding time; and if I may, I would like my colleague to yield just a few moments of time to the gentleman from Pennsylvania (Mr. MURPHY), who has a very important issue that he wants to raise before we continue to discuss the important issue of how can we in the U.S. Congress